



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

June 29, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**THREE, FIVE-YEAR LEASE AMENDMENTS  
AMENDMENT NO. 1 TO LEASE NO. L-0730  
AMENDMENT NO. 2 TO LEASE NO. 63808  
AMENDMENT NO. 3 TO LEASE NO. L-0683  
DEPARTMENT OF PUBLIC SOCIAL SERVICES**

**12820, 12860 AND 12900 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY  
(FIRST DISTRICT) (3 VOTES)**

**SUBJECT**

This recommendation is for three lease amendments to extend each lease term for an additional five-year period, thereby providing the Department of Public Social Services uninterrupted use of the three subject buildings.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that each lease amendment is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign Lease Amendment No. 1 with RR&C Development Company (Lessor) for 33,331 rentable square feet of office space and 140 parking spaces at 12820 Crossroads Parkway South, City of Industry, to be occupied by the Department of Public Social Services at a maximum first year cost projected to be \$856,250, of which 91 percent is funded by State and Federal subvention and 9 percent is net County cost.

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First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

3. Approve and instruct the Chair to sign Lease Amendment No. 2 with RR&C Development Company (Lessor) for 55,000 rentable square feet of office space and 220 parking spaces at 12860 Crossroads Parkway South, City of Industry, to be occupied by the Department of Public Social Services at a maximum first year cost projected to be \$1,400,982, of which 91 percent is funded by State and Federal subvention and 9 percent is net County cost.
4. Approve and instruct the Chair to sign Lease Amendment No. 3 with RR&C/WD General Partnership and WD Associates (Lessor) for 25,358 rentable square feet of office space and 98 parking spaces at 12900 Crossroads Parkway South, City of Industry, to be occupied by the Department of Public Social Services at a maximum first year cost projected to be \$603,296, of which 91 percent is funded by State and Federal subvention and 9 percent is net County cost.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to enter into three lease amendments, which allow the Department of Public Social Services (DPSS) to continue occupancy and operations at the subject buildings for an additional five years. The three lease amendments are being consolidated into one Board letter because we are processing the renewals for one department in the same business park with the same landlord and similar lease extension terms. Leases No. 63808 and L-0683 expired on March 14, 2010 and occupancy has continued on a month-to-month holdover basis. Lease No. L-0730 expires on December 31, 2010.

DPSS' headquarters is located at 12860 Crossroads. The buildings at 12820 Crossroads and 12860 Crossroads house DPSS' executive and administration management, which consist of 176 and 234 full-time employees, respectively. The building at 12900 Crossroads houses DPSS Contract Management Division, consisting of 102 full-time employees that oversee and monitor all DPSS contracts. This building also houses a child care center that is available to County employees.

#### **Implementation of Strategic Plan Goals**

Approval of the proposed lease amendments will provide the necessary housing to support the delivery of customer oriented and efficient public services (Goal 1). The proposed lease amendments are in conformance with the Asset Management Principles as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The maximum first year cost for Lease Amendment No. 1 is projected to be \$856,250. The maximum first year cost for Lease Amendment No. 2 is projected to be \$1,400,982. The maximum first year cost for Lease Amendment No. 3 is projected to be \$603,296. The first year costs may change depending on actual operating expenses incurred as part of the expense pass through provision of the lease.

The base rent in each lease amendment remains unchanged. However, the proposed lease amendments change the base year from 2000 to 2008 for purposes of calculating reimbursements. The property's operating expenses are payable by the Lessor, but defined or allowable operating expenses are subject to reimbursement by DPSS. This reimbursement is called Operating Expense Rent (OER), which is payable monthly and at the end of the calendar year. A year-end, lump-sum OER payment is required when the twelve monthly OER payments are insufficient to cover the incremental operating expenses beyond the 2000 base year level. The proposed amendments are structured to minimize the end of year OER lump-sum payments by increasing the monthly OER payments and making 2008 the new base year. The monthly OER payments in the proposed amendments have been increased by 5 percent above the 2008 baseline. If the actual allowable expenses decrease from the 2008 baseline, DPSS will receive a credit towards future payments.

<b>12820 Crossroads, City of Industry</b>	<b>Existing Lease</b>	<b>Proposed Amendment</b>	<b>Changes</b>
Area	33,331 square feet (sq. ft.)	33,331 square feet (sq. ft.)	None
Term	1/1/2001 to 12/31/2010	1/1/2011 to 12/30/2015	+5 years
Annual Base Rent	\$462,587 (\$13.88 per sq. ft.)	\$462,587 (\$13.88 per sq. ft.)	None
Annual Operating Expense Rent	\$240,000 (\$7.20 per sq. ft.)	\$393,663 (\$11.81 per sq. ft.)	+\$153,663
Annual Operating Expense Lump-sum	\$134,917	\$0 (Projected)	-\$134,917
Total Annual Cost	\$837,504 (\$25.13 per sq. ft.)	\$856,250 (\$25.69 per sq. ft.)	+\$18,746
Annual Base Rent Adjustment	Consumer Price Index (CPI) Adjustment, maximum of 4 percent	CPI Adjustment, maximum of 4 percent	None
Parking (included in Rent)	140 spaces	140 spaces	None
Cancellation	At months 60-61, upon 180 days notice	None	No Cancellation

12860 Crossroads, City of Industry	Existing Lease	Proposed Amendment	Changes
Area	55,000 square feet (sq. ft.)	55,000 square feet (sq. ft.)	None
Term	3/15/2000 to 3/14/2010; Month-to-month since 3/15/2010	Five years, commencing upon Board approval and expiring on June 30, 2015.	+5 years
Annual Base Rent	\$766,443 (\$13.94 per sq. ft.)	\$766,443 (\$13.94 per sq. ft.)	None
Annual Operating Expense Rent	\$396,000 (\$7.20 per sq. ft.)	\$634,539 (\$11.54 per sq. ft.)	+\$238,539
Annual Operating Expense Lump-sum	\$208,323	\$0 (Projected)	-\$208,323
Total Annual Cost	\$1,370,766 (\$24.92 per sq. ft.)	\$1,400,982 (\$25.47 per sq. ft.)	+\$30,216
Annual Base Rent Adjustment	CPI Adjustment, maximum of 4 percent	CPI Adjustment, maximum of 4percent	None
Parking (included in Rent)	220 spaces	220 spaces	None
Cancellation	At months 60-61, upon 180 days' notice	None	No Cancellation

12900 Crossroads, City of Industry	Existing Lease	Proposed Amendment	Changes
Area	25,358 square feet (sq. ft.)	25,358 square feet (sq. ft.)	None
Term	3/15/2000 to 3/14/2010; Month-to-month since 3/15/2010	Five years, commencing upon Board approval and expiring on June 30, 2015.	+5 years
Annual Base Rent	\$353,370 (\$13.94 per sq. ft.)	\$353,370 (\$13.94 per sq. ft.)	None
Annual Operating Expense Rent	\$182,580 (\$7.20 per sq. ft.)	\$249,926 (\$9.86 per sq. ft.)	+\$67,346
Annual Operating Expense Lump-sum	\$55,445	\$0 (Projected)	-\$55,445
Total Annual Cost	\$591,395 (\$23.32 per sq. ft.)	\$603,296 (\$23.79 per sq. ft.)	+\$11,901
Annual Base Rent Adjustment	CPI Adjustment, maximum of 4 percent	CPI Adjustment, maximum of 4 percent	None
Parking (included in Rent)	98 spaces	98 spaces	None
Cancellation	At months 60-61, upon 180 days notice	None	No Cancellation

Sufficient funding for the proposed lease amendments will be included in the 2010-11 Rent Expense budget and will be billed back to DPSS. DPSS will allocate sufficient funds in its 2010-11 operating budget to cover the projected lease costs. The rental costs are to be funded via State and Federal subvention at a rate of 91 percent and 9 percent are net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The existing terms and conditions of the original leases shall remain unchanged for the proposed amendments, except the term, Operating Expense Rent and the following provisions:

- The lease term for each amendment shall commence upon execution by the Board. Amendment No. 1 expires on December 31, 2015, and Amendments No. 2 and No. 3 expire on June 30, 2015.
- The property's operating expenses are payable by the Lessor, but defined or allowable operating expenses are subject to reimbursement by DPSS. This reimbursement is called Operating Expense Rent (OER). The annual OER is being increased pursuant to Amendment No. 1 from \$240,000 to \$393,663. Amendment No. 2 is increasing the annual OER from \$396,000 to \$634,539. The annual OER is increasing from \$182,580 to \$249,926 pursuant to Amendment No. 3.
- The previous cancellation option is null and void. The extended term of five years is not subject to early termination.
- An additional Option to Renew for five years has been included in the amendments. The actual exercise of the options shall be by adoption by the Board of Supervisors.
- The Lessor shall install new carpet and tile after painting the exterior and interior walls, at its sole expense.

Based upon a market survey of similar office properties, staff has determined that the rental range, including parking for similar properties and similar lease terms, is between \$22.80 and \$26.40 per square foot per year. Thus, the proposed annual rental costs of \$25.69, \$25.47, and \$23.79 are within the market rental range for the area.

Notice has been sent to the City of Industry pursuant to Government Code Sections 65402 and 25351. The City has no objections to the proposed renewals.

A child care center currently exists at 12900 Crossroads and is being operated by K-Step Montessori.

**ENVIRONMENTAL DOCUMENTATION**

The Chief Executive Office (CEO) has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendments will provide the office space necessary for DPSS to maintain its headquarters and contract management operations at the current locations. DPSS concurs with the recommendation herein.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors return three certified copies of the Minute Order and the adopted stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SK:WLD  
CEM:KW:hd

Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Internal Services  
Public Social Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**12820, 12860 AND 12900 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**  
**Asset Management Principles Compliance Form<sup>1</sup>**

1.	<b>Occupancy</b>		Yes	No	N/A
	A	Does lease consolidate administrative functions? <sup>2</sup>	X		
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
	C	Does this lease centralize business support functions? <sup>2</sup>	X		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup>	X		
2.	<b>Capital</b>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? <sup>2</sup> <b>Budget conditions do not support such a project at this time.</b>		X	
3.	<b>Portfolio Management</b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>The landlord is unwilling to change the original lease terms for these lease renewals. The original leases require DPSS to reimburse the landlord for operating expenses.</b>		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?			X
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12820, 12860 AND 12900 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY  
FIVE MILE RADIUS SEARCH – 12900 CROSSROADS PKWY, CITY OF INDUSTRY**

LACO FACILITY NAME	ADDRESS	SQUARE FEET GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
5329 PUBLIC LIBRARY-ROSEMEAD LIBRARY	8800 VALLEY BLVD, ROSEMEAD 91770	29860	23394	OWNED	NONE
A253 SHERIFF-SAN GABRIEL VALLEY VEHICLE THEFT PRGM	4200 SHIRLEY AVE, EL MONTE 91731	3081	2619	PERMIT	NONE
A060 PUBLIC LIBRARY-LIVE OAK LIBRARY	4153 E LIVE OAK AVE, ARCADIA 91006	2891	2170	LEASED	NONE
Y195 PUBLIC LIBRARY-NORWOOD LIBRARY	4550 N PECK RD, EL MONTE 91732	10303	8610	OWNED	NONE
0229 AG COMM/WTS & MEAS HQ/ PROBATION SPECIAL SVCS	12300 LOWER AZUSA RD, ARCADIA 91706	35878	32290	OWNED	NONE
6144 MACLAREN CHILDREN'S CENTER	4024 N DURFEE AVE, EL MONTE 91732	71733	39555	OWNED	NONE
T680 MACLAREN CHILDREN'S CTR-R.U.M. TRAILER	4024 N DURFEE AVE, EL MONTE 91732	3600	3240	OWNED	NONE
Y557 MACLAREN CHILDREN'S CTR-TRI-CITIES TRAILER	4024 N DURFEE AVE, EL MONTE 91732	2060	1563	OWNED	1563
A527 PH-ENVIRONMENTAL HEALTH HEADQUARTERS	5050 COMMERCE DR, BALDWIN PARK 91706	77700	66045	LEASED	NONE
5497 PUBLIC LIBRARY-BALDWIN PARK LIBRARY	4181 BALDWIN PARK BLVD, BALDWIN PARK 91706	15555	13162	OWNED	NONE
0081 PW ROAD-MAINT DIST 1 OFFICE	14747 E RAMONA BLVD, BALDWIN PARK 91706	5400	4860	OWNED	NONE
4177 PH-EAST AREA ENVIRONMENTAL HEALTH PROGRAMS	1435 WEST COVINA PKWY, WEST COVINA 91790	8500	4096	OWNED	NONE
4982 PUBLIC LIBRARY-WEST COVINA REGIONAL LIBRARY	1601 WEST COVINA PKWY, WEST COVINA 91790	42345	14717	OWNED	NONE
X257 WEST COVINA COURTHOUSE	1427 WEST COVINA PKWY, WEST COVINA 91790	101573	77341	OWNED	NONE
A304 SHERIFF-VEHICLE THEFT PROGRAM HEADQUARTERS	9040 TELSTAR AVE, EL MONTE 91731	5320	5054	LEASED	NONE
A497 DPSS-SAN GABRIEL VALLEY GAIN PROGRAM REG III	3216 ROSEMEAD BLVD, EL MONTE 91731	83672	79488	LEASED	NONE
A387 DPSS-GAIN PROGRAM HEADQUARTERS/DA-CLAIMS UNIT	3220 ROSEMEAD BLVD, EL MONTE 91731	26335	25313	LEASED	NONE
A470 DIST ATTY-VICTIM-WITNESS ASSISTANCE PROGRAM	3204 ROSEMEAD BLVD, EL MONTE 91731	6405	5868	LEASED	NONE
A522 PH/DPSS/DCFS-TELSTAR EL MONTE COUNTY CENTER	9320 TELSTAR AVE, EL MONTE 91731	163000	146700	LEASED	NONE
A493 SAN GABRIEL VALLEY FAMILY SERVICE CENTER I	3350 AEROJET AVE, EL MONTE 91731	240000	216000	LEASED	NONE
A554 SAN GABRIEL VALLEY FAMILY SERVICE CENTER II	3400 AEROJET AVE, EL MONTE 91731	131806	120000	LEASED	NONE
Y212 PUBLIC LIBRARY-SOUTH EL MONTE LIBRARY	1430 N CENTRAL AVE, SOUTH EL MONTE 91733	6416	5408	OWNED	NONE
D930 SAN GABRIEL VALLEY SERVICE CENTER	1441 SANTA ANITA AVE, SOUTH EL MONTE 91733	17650	12701	OWNED	NONE
Y246 PUBLIC LIBRARY-EL MONTE LIBRARY	3224 N TYLER AVE, EL MONTE 91731	11906	10153	OWNED	NONE
B119 ASSESSOR-EAST DISTRICT OFFICE	1190 DURFEE AVE, SOUTH EL MONTE 91733	38000	34200	LEASED	NONE
6064 EL MONTE COURTHOUSE	11234 E VALLEY BLVD, EL MONTE 91731	114829	79129	OWNED	NONE
A507 DPSS-ADMINISTRATIVE HEADQUARTERS WEST ANNEX	12820 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	33331	28331	LEASED	NONE
A130 DPSS-ADMINISTRATIVE HEADQUARTERS	12860 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	55000	41943	LEASED	NONE
B002 DPSS-ADMINISTRATIVE HEADQUARTERS EAST ANNEX	12900 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	34245	31420	LEASED	NONE
4533 EAST SERVICES AGENCY-OFFICE BUILDING	265 CLOVERLEAF DR, BALDWIN PARK 91706	1440	1055	OWNED	NONE
Y249 PUBLIC LIBRARY-SUNKIST LIBRARY	840 N PUENTE AVE, LA PUENTE 91746	8314	6957	OWNED	NONE
5499 DHS-LA PUENTE HEALTH CENTER	15930 E CENTRAL AVE, LA PUENTE 91744	10733	6049	OWNED	NONE
5480 PUBLIC LIBRARY-LA PUENTE LIBRARY	15920 E CENTRAL AVE, LA PUENTE 91744	10572	8439	OWNED	NONE
A575 FIRE - FIRE PREVENTION BUREAU	15660 E STAFFORD ST, CITY OF INDUSTRY 91745	4500	4275	LEASED	NONE
3331 WHITTIER COURTHOUSE (CIVIC CNTR BLDGS A & B)	7339 S PAINTER AVE, WHITTIER 90602	77538	52161	OWNED	NONE
4216 PH-WHITTIER PUBLIC HEALTH CENTER	7643 S PAINTER AVE, WHITTIER 90602	17552	7409	OWNED	NONE
X022 PROBATION-INTERNAL AUDITS OFFICE	7639 S PAINTER AVE, WHITTIER 90602	2694	1870	OWNED	NONE
Y366 STEINMETZ PARK-SENIOR CENTER	1545 S STIMSON AVE, HACIENDA HEIGHTS 91745	3200	3040	OWNED	NONE
5952 PUBLIC LIBRARY-HACIENDA HEIGHTS LIBRARY	16010 LA MONDE ST, HACIENDA HEIGHTS 91745	10223	8367	OWNED	NONE
A171 DPSS-MEDI-CAL CENTRAL OFFICE	17171 E GALE AVE, CITY OF INDUSTRY 91745	36000	28927	LEASED	NONE



**FIRST AMENDMENT TO COUNTY OF  
LOS ANGELES LEASE AND AGREEMENT**

This FIRST AMENDMENT TO CHIEF ADMINISTRATIVE OFFICE LEASE AND AGREEMENT ("First Amendment") is made and entered into as of \_\_\_\_\_, 2010 (the "First Amendment Date"), by and between RR&C DEVELOPMENT COMPANY, a California general partnership ("Lessor"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

**RECITALS**

A. Lessee and Lessor entered into that certain County of Los Angeles Chief Administrative Office Lease and Agreement (the "Lease"), dated March 3, 2000, whereby Lessor leased to Lessee and Lessee leased from Lessor that approximate 33,331 rentable square foot building located at 12820 Crossroads Parkway South, City of Industry, California (the "Premises").

B. The parties desire to amend the Lease on the terms and conditions set forth in this First Amendment.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Terms.** All undefined terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this First Amendment.

2. **Extended Lease Term.** The Lease Term is currently scheduled to expire on December 31, 2010 (the "Lease Expiration Date"). As of the First Amendment Date, the Lease Term is extended to December 31, 2015 (the "Revised Lease Expiration Date"), and, unless sooner terminated under the terms of the Lease, as amended by this First Amendment, will expire on the Revised Lease Expiration Date. The period of time beginning on the First Amendment Date and continuing through the Revised Lease Expiration Date is the "Extended Lease Term."

3. **Base Rent.** Throughout the Extended Lease Term, Lessee hereby agrees to pay as rent ("Base Rent") for the Premises the sum of SEVENTY-ONE THOUSAND THREE HUNDRED FIFTY-THREE AND 89/100 DOLLARS (\$71,353.89) per month as adjusted pursuant to Section 4 of this First Amendment payable in advance by Auditor's General Warrant. A breakdown of the above is as follows:

A. The Net Base Rent of THIRTY-EIGHT THOUSAND FIVE HUNDRED FORTY-EIGHT AND 89/100 DOLLARS (\$38,548.89) which is subject to adjustment pursuant to Section 4 of this First Amendment; and

B. The Operating Expense Allowance Rent of THIRTY-TWO THOUSAND EIGHT HUNDRED FIVE AND 00/100 DOLLARS (\$32,805.00) or \$11.81 per square foot annually (\$0.9842 per square foot per month, annually).

4. **Rental Adjustment.**

A. For each successive twelve (12) months of the Extended Lease Term, the monthly Net Base Rent as set forth in Section 3A of this First Amendment shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of the Extended Lease Term and every twelve months thereafter,

following the commencement of the Extended Lease Term and every twelve months thereafter, the Net Base Rent shall be adjusted in accordance with the CPI formula set forth in this Section 4. The "Base Index" shall be the Index published in the month immediately preceding the month the Extended Lease Term commences.

B. CPI Formula: The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim Metropolitan area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment shall be calculated by multiplying the Lessee's monthly Net Base Rent of THIRTY-EIGHT THOUSAND FIVE HUNDRED FORTY-EIGHT AND 89/100 DOLLARS (\$38,548.89) by a fraction, the numerator being the New Index which is the Index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published in the month immediately preceding the month the Extended Lease Term commenced. The formula shall be as follows:

New Index

$$\begin{aligned} &[ \text{Base Index} ] \times \$38,548.89 \text{ (Net Base Rent)} \\ &= \text{Adjusted Monthly Net Base Rent} \end{aligned}$$

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Extended Lease Term, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the Extended Lease Term, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with Paragraph 22N of the Office Lease for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. General Provisions:

1. In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Section 4 result in an annual increase greater than four percent (4%) per year of the monthly Net Base Rent of THIRTY-EIGHT THOUSAND FIVE HUNDRED FORTY-EIGHT AND 89/100 DOLLARS (\$38,548.89) (i.e. \$1,541.96 per month, annually).

2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Extended Lease Term.

5. Lessee's Acceptance of the Premises. Lessor and Lessee acknowledge that Lessee has been occupying the Premises pursuant to the Lease, since on or about January 1, 2001, and Lessee shall continue to accept the Premises in its presently existing, "as is" condition. Lessee acknowledges that Lessor has made no representation or warranty with regard to the condition of the Premises or the suitability thereof for Lessee's business, and Lessor shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises; provided, however, Lessor, at its sole cost and expense, shall on or before December 31, 2010, one-time: (i) remove the existing carpet and replace with Lessor's building standard carpet; (ii) paint the interior walls in the existing Premises using building standard paint; and (iii) paint the exterior walls of the Premises (collectively, "Lessor's Work"). The style of the carpet and cost to replace such carpet shall be pursuant to and shall not exceed the amount set forth in Exhibit "A" attached hereto and incorporated herein. The cost to repaint the interior and exterior of the Premises shall be pursuant to and shall not exceed the amount set

forth on Exhibit "B" and Exhibit "C", respectively, attached hereto and incorporated herein. The color of the carpet, the paint and the finish of the VCT flooring shall be mutually agreed upon by Lessor and Lessee from Lessor's building standard colors and finishes. Lessor shall use Lessor's standard building materials and finishes in the construction of Lessor's Work. Since Lessee is occupying the Premises pursuant to this Lease while Lessor is performing Lessor's Work, Lessor agrees that it shall use commercially reasonable efforts to perform Lessor's Work in a manner so as to minimize interference with Lessee's business. Lessee hereby acknowledges that, notwithstanding Lessee's occupancy of the Premises during the performance of Lessor's Work, Lessor shall be permitted to perform Lessor's Work during normal business hours, and Lessee shall provide a clear working area for Lessor's Work. Lessee agrees to cooperate with Lessor in (i) the selection of paint, carpet and VCT flooring colors and finishes; and (ii) providing access to the Premises to allow Lessor to complete Lessor's Work in the time required herein. Any delay in the completion of Lessor's Work due to Lessee's delay shall result in a day for day extension of the time for Lessor to complete Lessor's Work. Lessee hereby agrees that the performance of Lessor's Work shall in no way constitute a constructive eviction of Lessee nor entitle Lessee to, if any, abatement of rent. Lessor shall have no responsibility or for any reason be liable to Lessee for any direct or indirect injury to or interference with Lessee's business arising from Lessor's Work, nor shall Lessee be entitled to any compensation or damages from Lessor for loss of the use of whole or any part of the Premises, for loss of or damage to Lessee's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from Lessor's Work or for Lessor's actions in connection with Lessor's Work.

6. **Option to Extend the Lease Term.** Lessor and Lessee hereby acknowledge that Lessee has exercised its one (1) option to extend the term of the Office Lease. Lessor hereby grants to Lessee one (1) additional option to renew the Lease, as amended, for five (5) years in accordance with Section 2B of the Office Lease (except that notification of Lessee's exercise of the option shall be by Chief Executive Office letter) with the monthly Base Rent increasing to the "Fair Market Rental Value" as that term is defined in Section 2B(1) of the Office Lease and with annual rental adjustments pursuant to Section 31 of the Office Lease.

7. **Operating Expenses.** Effective as of the Third Amendment Date, the following language shall be added to the end of Section 28.C of the Office Lease:

"If actual Total Operating Expenses should be less than the estimated Total Operating Expenses paid by Lessee for such year, then Lessee shall be entitled to a credit. The amount of the credit shall be the excess paid based on the estimated Total Operating Expenses minus the actual Total Operating Expenses. The credit shall be applied to the estimated Total Operating Expenses in the next calendar year."

"The paint and carpet work set forth herein in Section 5 as "Lessor's Work", shall be at Lessor's sole expense and not included in the Total Operating Expenses payable by Lessee."

8. **Deletions.** Effective as of the First Amendment Date, Section 5 of the Office Lease is hereby deleted and shall be of no further force or effect.

9. **Brokers.** The parties recognize that the only broker involved in the negotiation of this First Amendment is Majestic Realty Co. and agree that Lessor shall be solely responsible for the payment of any "Brokerage Commission" to such broker. Each party represents and warrants to the other that they have not dealt with any other broker in connection with the negotiation and consummation of this First Amendment and they each know of no other real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this First Amendment. Each party agrees to indemnify and defend the other party against, and hold the other party harmless from, any and all claims, demands, losses, liabilities, damages, lawsuits, judgments, and costs and expenses (including, without limitation,

reasonable attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any other real estate broker or agent.

10. **No Other Modifications.** Except as otherwise provided herein, all other terms and provisions of the Lease shall remain in full force and effect, unmodified by this First Amendment.

11. **Binding Effect.** The provisions of this First Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the parties hereto.

12. **Authority.** The parties represent and warrant that they have the requisite authority to bind the entity on whose behalf they are signing.

13. **Counterparts.** This First Amendment may be executed in any number of original counterparts. Any such counterpart, when executed, shall constitute an original of this First Amendment, and all such counterparts together shall constitute one and the same First Amendment. Either party may deliver its signature to the other via facsimile or electronic (PDF) transmission, and any signature so delivered shall be binding on the delivering party.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have entered into this First Amendment as of the date first set forth above.

Executed on \_\_\_\_\_, 2010

"LESSOR"

RR&C DEVELOPMENT COMPANY,  
a California general partnership



By: \_\_\_\_\_  
Edward P. Roski, Jr.,  
Trustee of the Roski Community Premises  
Trust dated November 1, 1987, as amended

By: CURCI INVESTMENTS, LLC,  
a California limited liability company

By: \_\_\_\_\_

Executed on \_\_\_\_\_, 2010

"LESSEE"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Its: Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer-Clerk  
Of the Board of Supervisors

By: \_\_\_\_\_  
Its: Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,  
County Counsel

By: \_\_\_\_\_  
Name: Amy Cayes  
Its: Senior Deputy

**EXHIBIT "A"**

**PROPOSAL FOR CARPET REPLACEMENT**

[Attached]

**Inland**

Commercial Flooring, Inc.

1140 W. 23rd St. Upland, CA 91784  
909.920.0054 f 909.920.1113**1073-10**

PROPOSAL NUMBER

PROPOSAL SUBMITTED TO:		PHONE/FAX	DATE
Commerce Const. Charlie Bender		562/948-4324 562/699-4796	1/28/2010
STREET ADDRESS		PROJECT NAME	
13191 Crossroads Pkwy. No.		Bldg. E2 DPSS (Replace carpet, VCT and base)	
CITY, STATE, AND ZIP CODE		STREET ADDRESS	
City of Industry, CA 91746		12820 Crossroads Pkwy. So.	
ARCHITECT	DATE OF PLANS	CITY & STATE	JOB PHONE
		City of Industry, CA	
Specification Sections, Names and Numbers, Covered By this Quote:			Addenda Numbers Noted:

**FURNISH AND INSTALL**

Shaw "Common Sense" carpet tile installed in all open cubicle areas.	(2,881 sy)	\$113,628.00
Shaw "Common Sense" carpet tile installed in HSA & Division Chief offices.	(301 sy)	\$10,220.00
Shaw "Metro" carpet @ Lobby areas and stairs.	(273 sy)	\$7,430.00
Armstrong "Std. Excelon" VCT flooring to replace certain VCT flooring.	(706 sf)	\$1,223.00
Roppe 4" rubber cove base, color TBD, at all carpet and VCT areas.	(3,672 lf)	\$5,101.00
Labor to demo existing carpet tile.	(356 sy)	\$772.00
Labor to demo existing broadloom carpet.	(2,826 sy)	\$6,128.00
Labor to demo existing VCT flooring.	(706 sf)	\$438.00
Labor to move private office furniture to facilitate carpet installation.		\$4,957.00
<b>Proposal Total:</b>		<b>\$149,897.00</b>

Exclusions: Packing, labeling, disconnect of electrical equipment, phones, copiers.

Excluded from the above pricing are overtime labor, demolition and removal, "abnormal subfloor preparation", i.e., grinding, leveling, floating or ramping, sealing, moisture testing, and protection; washing and waxing of resilient floors; vacuuming carpet, protective coverings; providing temporary heat or electricity, unless specifically included and itemized above.

Quantities and prices, based on blueprints, are subject to price adjustment if physical measurements differ.

TYPE OF FLOOR	TYPE OF INSTALLATION	REMOVAL & DISPOSAL
Concrete	Carpet Tile, Broadloom carpet, VCT and rubber base.	Yes

WORK TO BE DONE BY CUSTOMER

Provide Smooth Clean Subfloor, free of other trades and equipment.

WE PROPOSE hereby to furnish material and labor--complete in accordance with above specifications, for the sum of

( \$149,897 ).

Payment to be made as follows:

Completed work and progress payments for installed materials and Labor; Net 30 Days.

Bond Rate:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

CONTRACTORS LICENSE #872364 C-15, C-54

Seller shall not be liable for delays, failures, or omissions in the manufacturing, handling, storing, or delivery of the merchandise sold hereunder, due to any labor disturbances, strikes, lockouts, fires, floods, earthquakes, or any other act of God, or failure of any delays by carriers, interruption of power or any other causes beyond the control of the seller.

Auth. Signature: \_\_\_\_\_

DON HATTAN

Note: This proposal may be withdrawn by us if not accepted within

30

days.

In the event purchaser fails to pay when due and seller must resort to collector or suit in court, any collector's fees or court costs, and reasonable attorney's fees will be paid by purchaser, and a service charge of 2% per month on the unpaid balance will be added from the date of this contract.

**ACCEPTANCE of PROPOSAL** - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

**EXHIBIT "B"**

**PROPOSAL FOR PAINTING INTERIOR OF PREMISES**

[Attached]



COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co. DATE: 3/3/2010  
13191 Crossroads Pkwy. N. Ste 115 BID # 00354  
City of Industry, CA 91746

ATTN: Ann Bender PROJECT: E2 Building ~ Int  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com) 12820 S. Crossroads Pkwy  
PH: 562-948-4368 City of Industry, Ca.  
FAX: 562-695-0441

PROPOSAL/CONTRACT

Scope of Work - Painting

Per plans and job walk with Charlie Bender 2/19/10

Interior Offices:

1. Cover carpet and furniture as needed for protection prior to painting.
2. Prep existing painted office walls and apply 2 coats of finish to painted office walls.
3. Paint restrooms ceilings.
4. Paint handrails in stairways.

BASE BID \$ 18,745.00

❖ Note: all materials to comply with Leeds Program.

❖ Note: Price includes off hour work.

EXCLUSIONS

- ✓ Painting of T-bar ceilings, toilet partitions, doors, and timely frames.

**PAYMENT SCHEDULE:** Payments will be due 30 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours:  
Monday - Friday 7:30am - 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman, Vice President

**Acceptance of Proposal:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

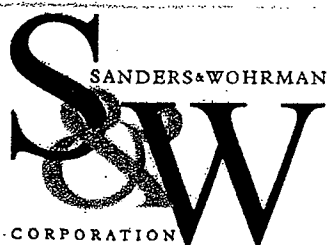
Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT "C"**

**PROPOSAL FOR PAINTING OF EXTERIOR WALLS OF PREMISES**

[Attached]

COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co.  
13191 Crossroads Pkwy. N. Ste 115  
City of Industry, CA 91746

DATE: 1/6/2010  
Revised

ATTN: Ann Bender  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com)  
PH: 562-948-4368  
FAX: 562-695-0441

PROJECT: E2 Building  
12820 S. Crossroads Pkwy  
City of Industry, Ca.

PROPOSAL/CONTRACT

Scope of Work - Painting

Per specifications provided by Majestic Realty

1. Power wash exterior walls to remove dirt, debris, chalking and peeling paint.
2. Cover windows, plants, walkways as needed for protection prior to painting.
3. By hand and/or mechanical method remove all loose paint and skim patch with elastomeric patching compound.
4. Prepare and patch all holes, cracks, and nicks with exterior patching compound.
5. Prime walls using an epoxy fortified primer [as needed] followed by one finish coat of 100% acrylic flat paint.
6. Spot prime and paint all man doors, roof screen, electrical boxes, roof cap, and flashing using industrial semi-gloss enamel paint.
7. Water seal all aggregate sandblasted areas using Monochem water sealer.

**BASE BID \$ 10,485.00**

❖ *Note: all materials to comply with Leeds Program.*

EXCLUSIONS

✓ Painting of roof equipment

**PAYMENT SCHEDULE:** Payments will be due 30 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours:  
Monday - Friday 7:30am - 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman, Vice President

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

**SECOND AMENDMENT TO COUNTY OF  
LOS ANGELES LEASE AND AGREEMENT**

This SECOND AMENDMENT TO COUNTY OF LOS ANGELES LEASE AND AGREEMENT ("**Second Amendment**") is made and entered into as of \_\_\_\_\_, 2010 (the "**Second Amendment Date**"), by and between RR&C DEVELOPMENT COMPANY, a California general partnership ("**Lessor**"), and the COUNTY OF LOS ANGELES, a body politic and corporate ("**Lessee**").

**RECITALS**

A. Lessee and Lessor entered into that certain County Lease No. 63808 (the "**Office Lease**"), dated August 28, 1990, as amended by that certain Amendment No. 1 to County Lease No. 63808 ("**First Amendment**"), dated March 3, 2000, whereby Lessor leased to Lessee and Lessee leased from Lessor that approximate 55,000 rentable square foot building (the "**Premises**") located at 12860 Crossroads Parkway South, City of Industry, California. The Office Lease and the First Amendment are collectively referred to herein as the "**Lease**."

B. The parties desire to amend the Lease on the terms and conditions set forth in this Second Amendment.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Terms.** All undefined terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this Second Amendment.

2. **Extended Lease Term.** The Lease Term expired on March 14, 2010 (the "**Lease Expiration Date**") and Tenant has been occupying the Premises since the Lease Expiration Date pursuant to Section 6 of the Office Lease. As of the Second Amendment Date, the Lease Term is extended to June 30, 2015 (the "**Revised Lease Expiration Date**"), and, unless sooner terminated under the terms of the Lease, as amended by this Second Amendment, will expire on the Revised Lease Expiration Date. The period of time beginning on the Second Amendment Date and continuing through the Revised Lease Expiration Date is the "**Extended Lease Term**."

3. **Base Rent.** Throughout the Extended Lease Term, Lessee hereby agrees to pay as rent ("**Base Rent**") for the Premises the sum of ONE HUNDRED SIXTEEN THOUSAND SEVEN HUNDRED FORTY-EIGHT AND 21/100 DOLLARS (\$116,748.21) per month as adjusted pursuant to Section 4 of this Second Amendment payable in advance by Auditor's General Warrant. A breakdown of the above is as follows:

A. The Net Base Rent of SIXTY-THREE THOUSAND EIGHT HUNDRED SEVENTY AND 21/100 DOLLARS (\$63,870.21) which is subject to adjustment pursuant to Section 4 of this Second Amendment; and

B. The Operating Expense Allowance Rent of FIFTY-TWO THOUSAND EIGHT HUNDRED SEVENTY-EIGHT AND 00/100 DOLLARS (\$52,878.00) or \$11.537 per square foot annually (\$.9614 per square foot monthly).

4. **Rental Adjustment.**

A. For each successive twelve (12) months of the Extended Lease Term, the monthly Net Base Rent as set forth in Section 3A of this Second Amendment shall be subject to

adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of the Extended Lease Term and every twelve months thereafter, the Net Base Rent shall be adjusted in accordance with the CPI formula set forth in this Section 4. The "Base Index" shall be the Index published in the month immediately preceding the month the Extended Lease Term commences.

B. CPI Formula: The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim Metropolitan area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment shall be calculated by multiplying the Lessee's monthly Net Base Rent of SIXTY-THREE THOUSAND EIGHT HUNDRED SEVENTY AND 21/100 DOLLARS (\$63,870.21) by a fraction, the numerator being the New Index which is the Index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published in the month immediately preceding the month the Extended Lease Term commenced. The formula shall be as follows:

$$\begin{aligned} &\text{New Index} \\ &[ \text{Base Index} ] \times \$63,870.21 \text{ (Net Base Rent)} \\ &= \text{Adjusted Monthly Net Base Rent} \end{aligned}$$

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Extended Lease Term, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the Extended Lease Term, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with Paragraph 22N of the Office Lease for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. General Provisions:

1. In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Section 4 result in an annual increase greater than four percent (4%) per year of the monthly Net Base Rent of SIXTY-THREE THOUSAND EIGHT HUNDRED SEVENTY AND 21/100 DOLLARS (\$63,870.21) (i.e. \$2,554.81 per month, annually).

2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Extended Lease Term.

5. Lessee's Acceptance of the Premises. Lessor and Lessee acknowledge that Lessee has been occupying the Premises pursuant to the Lease, since on or about March 15, 2000, and Lessee shall continue to accept the Premises in its presently existing, "as is" condition. Lessee acknowledges that Lessor has made no representation or warranty with regard to the condition of the Premises or the suitability thereof for Lessee's business, and Lessor shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises; provided, however, Lessor, at its sole cost and expense, shall on or before December 31, 2010, one-time: (i) remove the existing carpet and replace with Lessor's building standard carpet; (ii) paint the interior walls in the existing Premises using building standard paint; and (iii) paint the exterior walls of the Premises (collectively, "Lessor's Work"). The style of the carpet and cost to replace such carpet shall be pursuant to and shall not exceed the amount set forth in Exhibit "A" attached hereto and incorporated herein. The cost to repaint the

interior and exterior of the Premises shall be pursuant to and shall not exceed the amount set forth on Exhibit "B" and Exhibit "C", respectively, attached hereto and incorporated herein. The color of the carpet, the paint and the finish of the VCT flooring shall be mutually agreed upon by Lessor and Lessee from Lessor's building standard colors and finishes. Lessor shall use Lessor's standard building materials and finishes in the construction of Lessor's Work. Since Lessee is occupying the Premises pursuant to this Lease while Lessor is performing Lessor's Work, Lessor agrees that it shall use commercially reasonable efforts to perform Lessor's Work in a manner so as to minimize interference with Lessee's business. Lessee hereby acknowledges that, notwithstanding Lessee's occupancy of the Premises during the performance of Lessor's Work, Lessor shall be permitted to perform Lessor's Work during normal business hours, and Lessee shall provide a clear working area for Lessor's Work. Lessee agrees to cooperate with Lessor in (i) the selection of paint, carpet and VCT flooring colors and finishes; and (ii) providing access to the Premises to allow Lessor to complete Lessor's Work in the time required herein. Any delay in the completion of Lessor's Work due to Lessee's delay shall result in a day for day extension of the time for Lessor to complete Lessor's Work. Lessee hereby agrees that the performance of Lessor's Work shall in no way constitute a constructive eviction of Lessee nor entitle Lessee to, if any, abatement of rent. Lessor shall have no responsibility or for any reason be liable to Lessee for any direct or indirect injury to or interference with Lessee's business arising from Lessor's Work, nor shall Lessee be entitled to any compensation or damages from Lessor for loss of the use of whole or any part of the Premises, for loss of or damage to Lessee's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from Lessor's Work or for Lessor's actions in connection with Lessor's Work.

6. **Option to Extend the Lease Term.** Lessor and Lessee hereby acknowledge that Lessee has exercised its one (1) option to extend the term of the Office Lease. Lessor hereby grants to Lessee one (1) additional option to renew the Lease, as amended, for five (5) years in accordance with Section 2B of the Office Lease (except that notification of Lessee's exercise of the option shall be by Chief Executive Office letter) with the monthly Base Rent increasing to the "Fair Market Rental Value" as that term is defined in Section 2B(1) of the Office Lease and with annual rental adjustments pursuant to Section 31 of the Office Lease.

7. **Operating Expenses.** Effective as of the Third Amendment Date, the following language shall be added to the end of Section 29.C of the Office Lease:

"If actual Total Operating Expenses should be less than the estimated Total Operating Expenses paid by Lessee for such year, then Lessee shall be entitled to a credit. The amount of the credit shall be the excess paid based on the estimated Total Operating Expenses minus the actual Total Operating Expenses. The credit shall be applied to the estimated Total Operating Expenses in the next calendar year."

"The paint and carpet work set forth herein in Section 5 as "Lessor's Work", shall be at Lessor's sole expense and not included in the Total Operating Expenses payable by Lessee."

8. **Deletions.** Effective as of the Second Amendment Date, Section 5 of the Office Lease and Section 5 of the First Amendment are hereby deleted and shall be of no further force or effect.

9. **Brokers.** The parties recognize that the only broker involved in the negotiation of this Second Amendment is Majestic Realty Co. and agree that Lessor shall be solely responsible for the payment of any "Brokerage Commission" to such broker. Each party represents and warrants to the other that they have not dealt with any other broker in connection with the negotiation and consummation of this Second Amendment and they each know of no other real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this Second Amendment. Each party agrees to indemnify and defend the other party against, and hold the other party harmless from, any and all claims, demands, losses,

liabilities, damages, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any other real estate broker or agent.

10. **No Other Modifications.** Except as otherwise provided herein, all other terms and provisions of the Lease shall remain in full force and effect, unmodified by this Second Amendment.

11. **Binding Effect.** The provisions of this Second Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the parties hereto.

12. **Authority.** The parties represent and warrant that they have the requisite authority to bind the entity on whose behalf they are signing.

13. **Counterparts.** This Second Amendment may be executed in any number of original counterparts. Any such counterpart, when executed, shall constitute an original of this Second Amendment, and all such counterparts together shall constitute one and the same Second Amendment. Either party may deliver its signature to the other via facsimile or electronic (PDF) transmission, and any signature so delivered shall be binding on the delivering party.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have entered into this Second Amendment as of the date first set forth above.

Executed on \_\_\_\_\_, 2010

"LESSOR"

RR&C DEVELOPMENT COMPANY,  
a California general partnership



By: \_\_\_\_\_

Edward P. Roski, Jr.,  
Trustee of the Roski Community Premises  
Trust dated November 1, 1987, as amended

By: CURCI INVESTMENTS, LLC,  
a California limited liability company

By: \_\_\_\_\_

Executed on \_\_\_\_\_, 2010

"LESSEE"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_

Its: Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer-Clerk  
Of the Board of Supervisors

By: \_\_\_\_\_

Its: Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,  
County Counsel

By: \_\_\_\_\_

Name: Amy Cayes

Its: Senior Deputy



**EXHIBIT "A"**

**PROPOSAL FOR CARPET REPLACEMENT**

[Attached]

**Inland**

Commercial Flooring, Inc.

1140 W. 23rd St. Upland, CA 91784  
909.920.0054 f 909.920.1113**1072-10**

PROPOSAL NUMBER

PROPOSAL SUBMITTED TO:		PHONE/FAX:		DATE
Commerce Const. Charlie Bender		562/948-4324 562/699-4796		1/28/2010
STREET ADDRESS		PROJECT NAME		
13191 Crossroads Pkwy. No.		Bldg. E3 DPSS (Replace carpet, VCT and base)		
CITY, STATE, AND ZIP CODE		STREET ADDRESS		
City of Industry, CA 91746		12860 Crossroads Pkwy. So.		
ARCHITECT	DATE OF PLANS	CITY & STATE	JOB PHONE	
		City of Industry, CA		
Specification Sections, Names and Numbers, Covered By this Quote:				Addenda Numbers Noted:

**FURNISH AND INSTALL**

Shaw "Common Sense" carpet tile installed in current carpet tile areas.	(3,821 sy)	\$151,819.00
Shaw "Common Sense" carpet tile installed in private offices.	(585 sy)	\$19,861.00
Shaw "Common Sense" carpet tile @ Adm. offices/common areas.	(996 sy)	\$34,070.00
Armstrong "Std. Excelon" VCT flooring to replace existing VCT flooring.	(1,604 sf)	\$2,660.00
Roppe 4" rubber cove base, color TBD, at all carpet and VCT areas.	(6,600 lf)	\$9,241.00
Labor to demo existing carpet tile.	(3,821 sy)	\$8,464.00
Labor to demo existing broadloom carpet.	(1,092 sf)	\$2,419.00
Labor to demo existing VCT flooring.	(1,604 sf)	\$1,028.00
Labor to move private office furniture to facilitate carpet installation.		\$6,709.00
<b>Proposal Total:</b>		<b>\$236,271.00</b>

Exclusions: Packing, labeling, disconnect of electrical equipment, phones, copiers.

Excluded from the above pricing are overtime labor, demolition and removal, "abnormal subfloor preparation", i.e., grinding, leveling, floating or ramping, sealing, moisture testing, and protection: washing and waxing of resilient floors; vacuuming carpet, protective coverings; providing temporary heat or electricity: unless specifically included and itemized above.

Quantities and prices, based on blueprints, are subject to price adjustment if physical measurements differ.

TYPE OF FLOOR	TYPE OF INSTALLATION	REMOVAL & DISPOSAL
Concrete	Carpet Tile, Broadloom carpet, VCT and rubber base.	Yes

WORK TO BE DONE BY CUSTOMER

Provide Smooth Clean Subfloor, free of other trades and equipment.

I PROPOSE hereby to furnish material and labor—complete in accordance with above specifications, for the sum of

( \$236,271 ).

Payment to be made as follows:

Completed work and progress payments for installed materials and Labor; Net 30 Days.

Bond Rate:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

CONTRACTORS LICENSE #872384 C-15, C-54

Seller shall not be liable for delays, failures, or omissions in the manufacturing, handling, storing, or delivery of the merchandise sold hereunder, due to any labor disturbances, strikes, lockouts, fires, floods, earthquakes, or any other act of God, or failure of any delays by carriers, interruption of power or any other causes beyond the control of the seller.

Auth. Signature: \_\_\_\_\_

DON HATTAN

Note: This proposal may be withdrawn by us if not accepted within

30 days.

In the event purchaser fails to pay when due and seller must resort to collector or suit in court, any collector's fees or court costs, and reasonable attorney's fees will be paid by purchaser, and a service charge of 2% per month on the unpaid balance will be added from the date of this contract.

ACCEPTANCE of PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

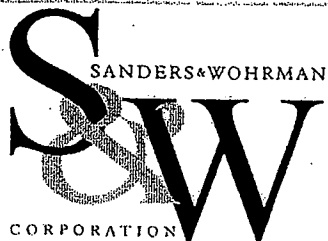
Signature \_\_\_\_\_

**EXHIBIT "B"**

**PROPOSAL FOR PAINTING INTERIOR OF PREMISES**

[Attached]

COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co. DATE: 3/3/2010  
13191 Crossroads Pkwy. N. Ste 115 BID # 00355  
City of Industry, CA 91746

ATTN: Ann Bender PROJECT: E3 Building ~ Interior  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com) 12860 S. Crossroads Pkwy  
PH: 562-948-4368 City of Industry, Ca.  
FAX: 562-695-0441

PROPOSAL/CONTRACT

Scope of Work – Painting Per plans and job walk with Charlie Bender 2/19/10

Interior Offices:

1. Cover carpet and furniture as needed for protection prior to painting.
2. Prep existing painted office walls and apply 2 coats of finish to painted office walls.
3. Paint restrooms ceilings.
4. Paint handrails in stairways.

BASE BID \$ 34,725.00

❖ Note: all materials to comply with Leeds Program.

❖ Note: Price includes off hour work.

EXCLUSIONS

- ✓ Painting of T-bar ceilings, toilet partitions, doors, and timely frames.

**PAYMENT SCHEDULE:** Payments will be due 30 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours:  
Monday – Friday 7:30am – 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman, Vice President

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

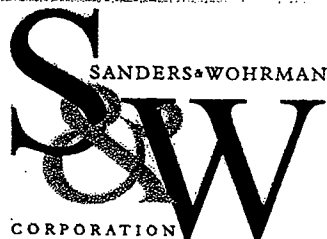
Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT "C"**

**PROPOSAL FOR PAINTING OF EXTERIOR WALLS OF PREMISES**

[Attached]

**COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS**



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co.  
13191 Crossroads Pkwy. N. Ste 115  
City of Industry, CA 91746

DATE: 1/6/2010

Revised

ATTN: Ann Bender  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com)  
PH: 562-948-4368  
FAX: 562-695-0441

PROJECT: E3 Building  
12860 S. Crossroads Pkwy  
City of Industry, Ca.

**PROPOSAL/CONTRACT**

**Scope of Work - Painting**

Per specifications provided by Majestic Realty

1. Power wash exterior walls to remove dirt, debris, chalking and peeling paint.
2. Cover windows, plants, walkways as needed for protection prior to painting.
3. By hand and/or mechanical method remove all loose paint and skim patch with elastomeric patching compound.
4. Prepare and patch all holes, cracks, and nicks with exterior patching compound.
5. Prime walls using an epoxy fortified primer [as needed] followed by one finish coat of 100% acrylic flat paint.
6. Spot prime and paint all man doors, roof screen, electrical boxes, roof cap, and flashing using industrial semi-gloss enamel paint.
7. Water seal all aggregate sandblasted areas using Monochem water sealer.
8. Prime and paint (30) parking lot light poles

**BASE BID \$ 16,100.00**

❖ *Note: all materials to comply with Leeds Program.*

**EXCLUSIONS**

✓ **Painting of roof equipment**

**PAYMENT SCHEDULE:** Payments will be due 30 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours:  
Monday - Friday 7:30am - 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman, Vice President

**Acceptance of Proposal:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

**THIRD AMENDMENT TO COUNTY OF LOS ANGELES  
LEASE AND AGREEMENT**

This THIRD AMENDMENT TO COUNTY OF LOS ANGELES LEASE AND AGREEMENT ("Third Amendment") is made and entered into as of \_\_\_\_\_, 2010 (the "Third Amendment Date"), by and between RR&C/WD GENERAL PARTNERSHIP, a California general partnership, and WD ASSOCIATES, a California general partnership (collectively, "Lessor"), and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

**RECITALS**

A. Lessee and RR&C/WD, a California general partnership, predecessor-in-interest to Lessor, entered into that certain County of Los Angeles Lease and Agreement (the "Office Lease"), dated March 3, 2000, as amended by that certain Amendment No. 1 to County Lease No. L-0683 ("First Amendment"), dated August 4, 2000, as amended by that certain Amendment No. 2 to County Lease L-0683 ("Second Amendment"), dated August 16, 2004, whereby Lessor leased to Lessee and Lessee leased from Lessor approximately 25,358 rentable square feet of space (the "Premises") commonly known as Suite 120 and Suite 200, located within the building located at 12900 Crossroads Parkway South, City of Industry, California. The Office Lease, the First Amendment, and the Second Amendment are collectively referred to herein as the "Lease."

B. The parties desire to amend the Lease on the terms and conditions set forth in this Third Amendment.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Terms.** All undefined terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this Third Amendment.

2. **Extended Lease Term.** The Lease Term expired on March 14, 2010 (the "Lease Expiration Date") and Tenant has been occupying the Premises since the Lease Expiration Date pursuant to Section 6 of the Office Lease. As of the Third Amendment Date, the Lease Term is extended to June 30, 2015 (the "Revised Lease Expiration Date"), and, unless sooner terminated under the terms of the Lease, as amended by this Third Amendment, will expire on the Revised Lease Expiration Date. The period of time beginning on the Third Amendment Date and continuing through the Revised Lease Expiration Date is the "Extended Lease Term."

3. **Base Rent.** Throughout the Extended Lease Term, Lessee hereby agrees to pay as rent ("Base Rent") for the Premises the sum of FIFTY THOUSAND TWO HUNDRED SEVENTY-FOUR AND 53/100 DOLLARS (\$50,274.53) per month as adjusted pursuant to Section 4 of this Third Amendment payable in advance by Auditor's General Warrant. A breakdown of the above is as follows:

A. The Net Base Rent of TWENTY-NINE THOUSAND FOUR HUNDRED FORTY-SEVEN AND 53/100 DOLLARS (\$29,447.53) which is subject to annual adjustment pursuant to Section 4 of this Third Amendment; and

B. The Operating Expense Allowance Rent of TWENTY THOUSAND EIGHT HUNDRED TWENTY-SEVEN AND 00/100 DOLLARS (\$20,827.00) or \$9.86 per square foot annually (\$.8213 per square foot monthly).

4. **Rental Adjustment.**

A. For each successive twelve (12) months of the Extended Lease Term, the monthly Net Base Rent as set forth in Section 3A of this Third Amendment shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of the Extended Lease Term and every twelve months thereafter, the Net Base Rent shall be adjusted in accordance with the CPI formula set forth in this Section 4. The "Base Index" shall be the Index published in the month immediately preceding the month the Extended Lease Term commences.

B. **CPI Formula:** The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim Metropolitan area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment shall be calculated by multiplying the Lessee's monthly Base Net Rent of TWENTY-NINE THOUSAND FOUR HUNDRED FORTY-SEVEN AND 53/100 DOLLARS (\$29,447.53) by a fraction, the numerator being the New Index which is the Index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published in the month immediately preceding the month the Extended Lease Term commenced. The formula shall be as follows:

$$\begin{aligned} & \text{New Index} \\ & [ \text{Base Index} ] \times \$29,447.53 \text{ (Net Base Rent)} \\ & = \text{Adjusted Monthly Net Base Rent} \end{aligned}$$

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Extended Lease Term, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the Extended Lease Term, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with Paragraph 22N of the Office Lease for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. **General Provisions:**

1. In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Section 4 result in an annual increase greater than four percent (4%) per year of the monthly Net Base Rent of TWENTY-NINE THOUSAND FOUR HUNDRED FORTY-SEVEN AND 53/100 DOLLARS (\$29,447.53) (i.e. \$1,177.90 per month, annually).

2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Extended Lease Term.

5. **Lessee's Acceptance of the Premises.** Lessor and Lessee acknowledge that Lessee has been occupying the Premises pursuant to the Lease, since on or about March 15, 2000, and Lessee shall continue to accept the Premises in its presently existing, "as is" condition. Lessee acknowledges that Lessor has made no representation or warranty with regard to the condition of the Premises or the suitability thereof for Lessee's business, and Lessor shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises; provided, however, Lessor, at its sole cost and expense, shall on or before December 31, 2010, one-time: (i) remove the existing carpet and replace with Lessor's building standard carpet; (ii) paint the interior walls in the existing Premises using building standard paint; and (iii) paint the exterior walls of the Premises (collectively, "Lessor's Work"). The style of the carpet and cost to replace such carpet shall be pursuant to and shall not exceed the



amount set forth in Exhibit "A" attached hereto and incorporated herein. The cost to repaint the interior and exterior of the Premises shall be pursuant to and shall not exceed the amount set forth on Exhibit "B" and Exhibit "C", respectively, attached hereto and incorporated herein. The color of the carpet, the paint and the finish of the VCT flooring shall be mutually agreed upon by Lessor and Lessee from Lessor's building standard colors and finishes. Lessor shall use Lessor's standard building materials and finishes in the construction of Lessor's Work. Since Lessee is occupying the Premises pursuant to this Lease while Lessor is performing Lessor's Work, Lessor agrees that it shall use commercially reasonable efforts to perform Lessor's Work in a manner so as to minimize interference with Lessee's business. Lessee hereby acknowledges that, notwithstanding Lessee's occupancy of the Premises during the performance of Lessor's Work, Lessor shall be permitted to perform Lessor's Work during normal business hours, and Lessee shall provide a clear working area for Lessor's Work. Lessee agrees to cooperate with Lessor in (i) the selection of paint, carpet and VCT flooring colors and finishes; and (ii) providing access to the Premises to allow Lessor to complete Lessor's Work in the time required herein. Any delay in the completion of Lessor's Work due to Lessee's delay shall result in a day for day extension of the time for Lessor to complete Lessor's Work. Lessee hereby agrees that the performance of Lessor's Work shall in no way constitute a constructive eviction of Lessee nor entitle Lessee to, if any, abatement of rent. Lessor shall have no responsibility or for any reason be liable to Lessee for any direct or indirect injury to or interference with Lessee's business arising from Lessor's Work, nor shall Lessee be entitled to any compensation or damages from Lessor for loss of the use of whole or any part of the Premises, for loss of or damage to Lessee's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from Lessor's Work or for Lessor's actions in connection with Lessor's Work.

6. **Option to Extend the Lease Term.** Lessor and Lessee hereby acknowledge that Lessee has exercised its one (1) option to extend the term of the Office Lease. Lessor hereby grants to Lessee one (1) additional option to renew the Lease, as amended, for five (5) years in accordance with Section 2B of the Office Lease with the monthly Base Rent increasing to the "Fair Market Rental Value" as that term is defined in Section 2B(1) of the Office Lease and with annual rental adjustments pursuant to Section 31 of the Office Lease.

7. **Operating Expenses.** Effective as of the Third Amendment Date, the following language shall be added to the end of Section 28.C of the Office Lease:

"If actual Total Operating Expenses should be less than the estimated Total Operating Expenses paid by Lessee for such year, then Lessee shall be entitled to a credit. The amount of the credit shall be the excess paid based on the estimated Total Operating Expenses minus the actual Total Operating Expenses. The credit shall be applied to the estimated Total Operating Expenses in the next calendar year."

"The paint and carpet work set forth herein in Section 5 as "Lessor's Work", shall be at Lessor's sole expense and not included in the Total Operating Expenses payable by Lessee."

8. **Deletions.** Effective as of the commencement of the Third Amendment Date, Section 5 of the Office Lease is hereby deleted and shall be of no further force or effect.

9. **Brokers.** The parties recognize that the only broker involved in the negotiation of this Third Amendment is Majestic Realty Co. and agree that Lessor shall be solely responsible for the payment of any "Brokerage Commission" to such broker. Each party represents and warrants to the other that they have not dealt with any other broker in connection with the negotiation and consummation of this Third Amendment and they each know of no other real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this Third Amendment. Each party agrees to indemnify and defend the other party against, and hold the other party harmless from, any and all claims, demands, losses, liabilities, damages, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any other real estate broker or agent.

10. **No Other Modifications.** Except as otherwise provided herein, all other terms and provisions of the Lease shall remain in full force and effect, unmodified by this Third Amendment.

11. **Binding Effect.** The provisions of this Third Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the parties hereto.

12. **Authority.** The parties represent and warrant that they have the requisite authority to bind the entity on whose behalf they are signing.

13. **Counterparts.** This Third Amendment may be executed in any number of original counterparts. Any such counterpart, when executed, shall constitute an original of this Third Amendment, and all such counterparts together shall constitute one and the same Third Amendment. Either party may deliver its signature to the other via facsimile or electronic (PDF) transmission, and any signature so delivered shall be binding on the delivering party.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have entered into this Third Amendment as of the date first set forth above.

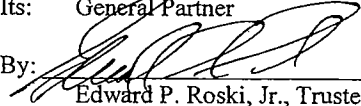
Executed on \_\_\_\_\_, 2010

"LESSOR"

RR&C/WD GENERAL PARTNERSHIP,  
a California general partnership

BY: RR&C DEVELOPMENT COMPANY,  
a California general partnership

Its: General Partner

By:   
Edward P. Roski, Jr., Trustee  
of the Roski Community Property  
Trust dated November 1, 1987,  
as amended

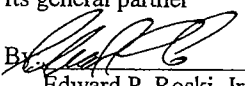
By: Curci Investments, LLC,  
a California limited liability company

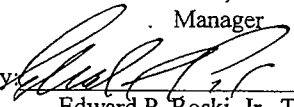
By: 

By: IVAC, a California general partnership

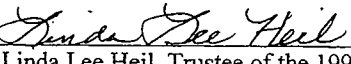
By: Roski Family Partnership, L.P.,  
a California limited partnership

By: Roski & Roski, LLC,  
Its general partner

By:   
Edward P. Roski, Jr.,  
Trustee of the Roski  
Community Property  
Trust dated November 1,  
1987, as amended,  
Manager

By:   
Edward P. Roski, Jr., Trustee of the  
Roski Community Property Trust  
dated November 1, 1987,  
as amended

By: WD ASSOCIATES,  
a California general partnership  
Its: General Partner

By:   
Linda Lee Heil, Trustee of the 1994 Dan  
W. Heil and Linda Lee Heil Revocable  
Trust dated September 13, 1994  
Its: Managing General Partner

[Signatures continued on following page]

Executed on \_\_\_\_\_, 2010

"LESSEE"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Its: Chair, Board of Supervisors

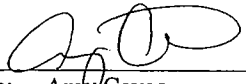
ATTEST:

SACHI A. HAMAI, Executive Officer-Clerk  
Of the Board of Supervisors

By: \_\_\_\_\_  
Its: Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,  
County Counsel

By:  \_\_\_\_\_  
Name: Amy Caves  
Its: Senior Deputy

**EXHIBIT "A"**

**PROPOSAL FOR CARPET REPLACEMENT**

[Attached]

**Inland**

Commercial Flooring, Inc.

1140 W. 23rd St. Upland, CA 91784  
909.920.0054 f 909.920.1113**1071-10**

PROPOSAL NUMBER

PROPOSAL SUBMITTED TO:		PHONE/FAX:	DATE:
Commerce Const. Charlie Bender		562/948-4324 562/699-4796	1/28/2010
STREET ADDRESS:		PROJECT NAME:	
13191 Crossroads Pkwy. No.		2nd Floor Garden Bldg. DPSS (Replace carpet, VCT and base)	
CITY, STATE, AND ZIP CODE:		STREET ADDRESS:	
City of Industry, CA 91746		12900 Crossroads Pkwy. So.	
ARCHITECT:	DATE OF PLANS:	CITY & STATE:	JOB PHONE:
		City of Industry, CA	
Specification Sections, Names and Numbers, Covered By this Quote:			Addenda Numbers Noted:

**FURNISH AND INSTALL**

Shaw "Common Sense" carpet tile installed in current carpet tile areas.	(1,291 sy)	\$52,457.00
Shaw "Common Sense" carpet tile installed in private offices.	(370 sy)	\$12,935.00
Armstrong "Std. Excelon" VCT flooring to replace existing VCT flooring.	(1,560 sf)	\$2,648.00
Roppe 4" rubber cove base, color TBD, at all carpet and VCT areas.	(2,600 lf)	\$3,656.00
Labor to demo existing carpet tile.	(1,292 sy)	\$2,860.00
Labor to demo existing broadloom carpet.	(370 sy)	\$820.00
Labor to demo existing VCT flooring.	(1,560 sf)	\$987.00
Labor to move private office furniture to facilitate carpet installation.		\$2,779.00

Proposal Total: \$79,142.00

Exclusions: Packing, labeling, disconnect of electrical equipment, phones, copiers.

Excluded from the above pricing are overtime labor, demolition and removal, "abnormal subfloor preparation", i.e., grinding, leveling, floating or ramping, sealing, moisture testing, and protection; washing and waxing of resilient floors; vacuuming carpet, protective coverings; providing temporary heat or electricity; unless specifically included and itemized above.

Quantities and prices, based on blueprints, are subject to price adjustment if physical measurements differ.

TYPE OF FLOOR	TYPE OF INSTALLATION	REMOVAL & DISPOSAL
Concrete	Carpet Tile, Broadloom carpet, VCT and rubber base.	Yes

WORK TO BE DONE BY CUSTOMER

Provide Smooth Clean Subfloor, free of other trades and equipment.

WE PROPOSE hereby to furnish material and labor—complete in accordance with above specifications, for the sum of

( \$79,142 ).

Payment to be made as follows:

Completed work and progress payments for installed materials and Labor; Net 30 Days.

Bond Rate:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

CONTRACTORS LICENSE #872384 C-15, C-54

Seller shall not be liable for delays, failures, or omissions in the manufacturing, handling, storing, or delivery of the merchandise sold hereunder, due to any labor disturbances, strikes, lockouts, fire, floods, earthquakes, or any other act of God, or failure of any delays by carriers, interruption of power or any other causes beyond the control of the seller.

Auth. Signature: \_\_\_\_\_

DON HATTAN

Note: This proposal may be withdrawn by us if not accepted within 30 days.

In the event purchaser fails to pay when due and seller must resort to collector or suit in court, any collector's fees or court costs, and reasonable attorney's fees will be paid by purchaser, and a service charge of 2% per month on the unpaid balance will be added from the date of this contract.

ACCEPTANCE of PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

# Inland

Commercial Flooring, Inc.

1140 W. 23rd St. Upland, CA 91784  
909.920.0054 f 909.920.1113

**1076-10**

PROPOSAL NUMBER

PROPOSAL SUBMITTED TO:		PHONE/FAX:		DATE:
Commerce Const. Charlie Bender		562/948-4324 562/699-4796		1/13/2010
STREET ADDRESS:		PROJECT NAME:		
3191 Crossroads Pkwy. No.		DPSS Childcare Center (Replace VCT, Carpet and base)		
CITY, STATE, AND ZIP CODE:		STREET ADDRESS:		
City of Industry, CA 91746		12900 Crossroads Pkwy. So.		
ARCHITECT:	DATE OF PLANS:	CITY & STATE:	JOB PHONE:	
		City of Industry, CA		
Specification Sections, Names and Numbers, Covered By this Quote:				Addenda Numbers Noted:

## FURNISH AND INSTALL

shaw carpet "Digital" installed in current carpeted areas.	(70 sy)	\$1,315.00
Armstrong "Std. Excelon" VCT flooring to replace existing VCT flooring.	(4,760 sf)	\$7,888.00
Toppe 4" rubber cove base, color TBD, at all carpet and VCT areas.	(1,164 lf)	\$1,764.00
Labor to demo existing broadloom carpet.	(70 sy)	\$150.00
Labor to demo existing VCT flooring.	(4,760 sf)	\$2,902.00
Labor to bead blast floor and apply MVB 8000 vapor retarder.	(4,760 sf)	\$3,164.00
Dyna Mix moisture and alkalia resistant VCT adhesive.	(5 pails)	\$915.00
Labor to move private office furniture to facilitate carpet installation.		\$512.00
Minor floor prep after removal of existing VCT flooring.	(4 hrs.)	\$220.00
Overtime differential for off hours installation.		\$2,634.00
		\$21,464.00

### Exclusions: Packing, labeling, disconnect of electrical equipment, phones, copiers.

Excluded from the above pricing are overtime labor, demolition and removal, "abnormal subfloor preparation", i.e., grinding, leveling, floating or ramping, sealing, moisture testing, and protection; washing and waxing of resilient floors; vacuuming carpet, protective coverings; providing temporary heat or electricity; unless specifically included and itemized above.

Quantities and prices, based on blueprints, are subject to price adjustment if physical measurements differ.

TYPE OF FLOOR:	TYPE OF INSTALLATION:	REMOVAL & DISPOSAL:
Concrete	Carpet Tile, Broadloom carpet, VCT and rubber base.	Yes

### WORK TO BE DONE BY CUSTOMER

Provide Smooth Clean Subfloor, free of other trades and equipment.

WE PROPOSE hereby to furnish material and labor--complete in accordance with above specifications, for the sum of

( **\$21,464** ).

### Payment to be made as follows:

Completed work and progress payments for Installed materials and Labor; Net 30 Days.

Bond Rate:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

CONTRACTORS LICENSE #872364 C-15, C-54

Seller shall not be liable for delays, failures, or omissions in the manufacturing, handling, storing, or delivery of the merchandise sold hereunder, due to any labor disturbances, strikes, lockouts, fires, floods, earthquakes, or any other act of God, or failure of any delays by carriers, interruption of power or any other causes beyond the control of the seller.

Auth. Signature: Don Hattan

DON HATTAN

Note: This proposal may be withdrawn by us if not accepted within 30 days.

In the event purchaser fails to pay when due and seller must resort to collector or suit in court, any collector's fees or court costs, and reasonable attorney's fees will be paid by purchaser, and a service charge of 2% per month on the unpaid balance will be added from the date of this contract.

**ACCEPTANCE of PROPOSAL** - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

**Inland**

Commercial Flooring, Inc.

1140 W. 23rd St. Upland, CA 91784  
909.920.0054 f 909.920.1113**1077-10**

PROPOSAL NUMBER

PROPOSAL SUBMITTED TO:		PHONE / FAX:		DATE
Commerce Const. Charlie Bender		562/948-4324 562/699-4796		1/13/2010
STREET ADDRESS		PROJECT NAME		
13191 Crossroads Pkwy. No.		Garden Bldg. (Replace carpet @ Upper lobby and Stairs)		
CITY, STATE, AND ZIP CODE		STREET ADDRESS		
City of Industry, CA 91746		12900 Crossroads Pkwy. So.		
ARCHITECT	DATE OF PLANS	CITY & STATE	JOB PHONE	
		City of Industry, CA		
Specification Sections, Names and Numbers, Covered By this Quote:				Addenda Numbers Noted:

**FURNISH AND INSTALL**

Shaw carpet "Metro" installed @ Upper lobby and all stairs.	(151 sy)	\$3,597.00
Roppe 4" rubber cove base, color TBD, at all carpet areas.	(148 lf)	\$265.00
Labor to carpet stairs over pad.	(69 treads)	\$1,731.00
Labor to demo existing carpet @ stairs and upper lobby.	(151 sy)	\$327.00
Minor floor prep after removal of existing VCT flooring.	(2 hrs.)	\$112.00
Overtime differential for off hours installation.		\$765.00

Proposal Total: \$6,797.00

Excluded from the above pricing are overtime labor, demolition and removal, "abnormal subfloor preparation", i.e., grinding, leveling, floating or ramping, sealing, moisture testing, and protection; washing and waxing of resilient floors; vacuuming carpet, protective coverings; providing temporary heat or electricity, unless specifically included and itemized above. Quantities and prices, based on blueprints, are subject to price adjustment if physical measurements differ.

TYPE OF FLOOR	TYPE OF INSTALLATION	REMOVAL & DISPOSAL
Concrete	Carpet gluedown & over pad, and rubber base.	Yes
WORK TO BE DONE BY CUSTOMER		
Provide Smooth Clean Subfloor, free of other trades and equipment.		
WE PROPOSE hereby to furnish material and labor--complete in accordance with above specifications, for the sum of		

( \$6,797 )

Payment to be made as follows:

Completed work and progress payments for installed materials and Labor; Net 30 Days.

Bond Rate:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be accounted only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

CONTRACTORS LICENSE #872364 C-15, C-54

Seller shall not be liable for delays, failures, or omissions in the manufacturing, handling, storing, or delivery of the merchandise sold hereunder, due to any labor disturbances, strikes, lockouts, fires, floods, earthquakes, or any other act of God, or failure of any delays by carriers, interruption of power or any other causes beyond the control of the seller.

Auth. Signature:

DON HATTAN

In the event purchaser fails to pay when due and seller must resort to collector or suit in court, any collector's fees or court costs, and reasonable attorney's fees will be paid by purchaser, and a service charge of 2% per month on the unpaid balance will be added from the date of this contract.

Note: This proposal may be withdrawn by us if not accepted within 30 days.

**ACCEPTANCE of PROPOSAL** - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_



**EXHIBIT "B"**

**PROPOSAL FOR PAINTING OF PREMISES**

[Attached]

**COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS**



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co. DATE: 3/3/2010  
13191 Crossroads Pkwy. N. Ste 115 BID # 00359  
City of Industry, CA 91746

ATTN: Ann Bender PROJECT: Garden Building ~ Interior  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com) 12900 S. Crossroads Pkwy  
PH: 562-948-4368 City of Industry, Ca.  
FAX: 562-695-0441

**PROPOSAL/CONTRACT**

**Scope of Work - Painting**

Per plans and job walk with Charlie Bender 2/19/10

**Interior Offices:**

1. Cover carpet and furniture as needed for protection prior to painting.
2. Prep existing painted office walls and apply 2 coats of finish to painted office walls.
3. Paint restrooms ceilings.
4. Paint handrails in stairways.

**BASE BID \$ 21,345.00**

❖ *Note: all materials to comply with Leeds Program.*

❖ *Note: Price includes off hour work.*

**EXCLUSIONS**

- ✓ Painting of T-bar ceilings, toilet partitions, doors, and timely frames.
- ✓ Painting or stenciling art work on walls.

**PAYMENT SCHEDULE:** Payments will be due 30 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours:  
Monday - Friday 7:30am - 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman, Vice President

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

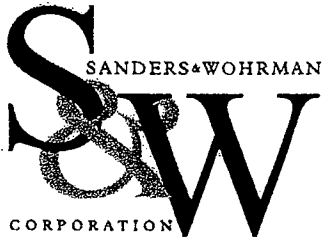
Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT "C"**

**PROPOSAL FOR PAINTING OF EXTERIOR WALLS OF PREMISES**

[Attached]

**COMMERCIAL & INDUSTRIAL  
PAINTING ■ CAULKING ■ COATINGS**



709 N. Poplar Street  
Orange, CA 92868  
Ph: 714-919-0446  
Fax: 714-919-0447  
Cal. State License No. 466613

TO: Majestic Realty Co.  
13191 Crossroads Pkwy. N. Ste 115  
City of Industry, CA 91746

DATE: 11/11/2009  
Revised

ATTN: Ann Bender  
E-mail: [aguithues@majesticrealty.com](mailto:aguithues@majesticrealty.com)  
PH: 562-948-4368  
FAX: 562-695-0441

PROJECT: Garden Building  
12900 Crossroads Pkwy  
City of Industry, Ca.

**PROPOSAL/CONTRACT**

**Scope of Work – Painting**

Per specifications provided by Majestic Realty

1. Power wash exterior walls to remove dirt, debris, chalking and peeling paint.
2. Cover windows, plants, walkways as needed for protection prior to painting.
3. By hand and/or mechanical method remove all loose paint and skim patch with elastomeric patching compound.
4. Prepare and patch all holes, cracks, and nicks with exterior patching compound.
5. Prime walls using an epoxy fortified primer [as needed] followed by one finish coat of 100% acrylic flat paint.
6. Spot prime and paint all man doors, roof screen, electrical boxes, roof cap, and flashing using industrial semi-gloss enamel paint.
7. Re-skim panel joints using Pecora AVW 920 [due to cracking of existing caulking] as needed.

**BASE BID    \$ 9,950.00**

❖ *Note: all materials to comply with Leeds Program.*

**EXCLUSIONS**

- ✓ Painting of storefront mullions, curbs, and address numbers.

**PAYMENT SCHEDULE:** Payments will be due 10 days from date of invoice. A late charge of 1.5% will be added to late payments. **THE WORK:** SANDERS & WOHRMAN CORPORATION (The "Contractor") will furnish all labor and material for surface preparation and painting. **THE CONTRACT PRICE:** In consideration, the Owner will pay the contractor the "Contract Price," in strict compliance with the "payment schedule," both of which are set forth above. **ATTORNEY'S FEES:** If any legal action or proceeding arising out of or relating to this contract is brought by either party of this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorney's fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

**NOTE:** This proposal is void if not accepted within ninety (90) days. All material is guaranteed to be as specified. Work under this proposal is to be done during normal business hours: Monday – Friday 7:30am – 4:00pm

Proposed  
By: \_\_\_\_\_  
Name: Todd Wohrman Vice President

**Acceptance of Proposal:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted  
By: \_\_\_\_\_  
Name: \_\_\_\_\_